

FILED

UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF NORTH CAROLINA  
RALEIGH DIVISION

APR 30 1999

PEGGY B. DEANS, CLERK  
U.S. BANKRUPTCY COURT  
EASTERN DISTRICT OF N.C.

IN RE:

CASE NO.

INTERNATIONAL HERITAGE, INC.,

98-02675-5-ATS

DEBTOR

**ORDER DENYING DEBTOR'S COUNSEL'S REQUEST TO WITHDRAW**

The matter before the court is the Motion for Order Determining Whether Counsel Should Withdraw filed by Terri L. Gardner. A hearing was held in Raleigh, North Carolina on April 29, 1999. Permission to withdraw will not be allowed.

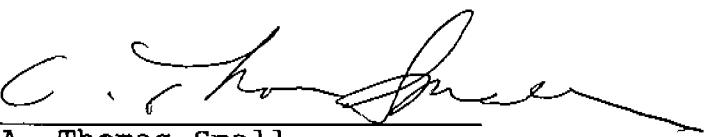
Ms. Gardner represents the chapter 7 debtor, International Heritage, Inc., in a complicated chapter 7 case in which over 15,500 claims have been filed. N. Hunter Wyche, Jr., a member of Ms. Gardner's law firm of Smith, Debnam, Narron, Wyche, Story & Myers, L.L.P., represents Mr. Stanley Van Etten, the former president and CEO of the debtor. According to the chapter 7 trustee, the interests of the debtor and Mr. Van Etten are adverse. Consequently, the dual representation by the law firm of Smith, Debnam, Narron, Wyche, Story & Myers cannot continue.

The bankruptcy administrator objects to the withdrawal of Ms. Gardner as counsel for the debtor because Ms. Gardner has been paid a \$15,000 retainer, and Ms. Gardner is needed to provide information to the trustee in this difficult case. Local Bankruptcy Rule 9011-1 provides that "[a]ny attorney who files a bankruptcy petition for or on behalf of a debtor shall remain the attorney of record for all purposes . . . until the case is

closed or the attorney is relieved upon application and court order." E.D.N.C. LBR 9011-1. The court agrees with the bankruptcy administrator that Ms. Gardner should remain as counsel for the debtor, and permission to withdraw is **DENIED**. If Ms. Gardner believes that she still has a conflict of interest even after Mr. Wyche withdraws from his representation of Mr. Van Etten, the court will reconsider Ms. Gardner's request.

**SO ORDERED.**

DATED: APR 30 1999



A. Thomas Small  
Bankruptcy Judge

U.S. Bankruptcy Court for the Eastern District of North Carolina  
U.S. BANKRUPTCY COURT, PO BOX 1441, RALEIGH, NC 27602-1441

In Re a Petition for Relief under chapter 7 of Title 11, U.S. Code, filed by or  
against the below-named Debtor(s) on November 25, 1998:

DEBTOR: INTERNATIONAL HERITAGE, INC. of 2626 GLENWOOD AVE., #200,  
RALEIGH NC 27608, SSAN: NA TAX ID: 56-1921093

CASE NO. 98-02675-5-ATS

ORDER AND NOTICE  
BY THE COURT

CERTIFICATE OF MAILING

I am a regularly appointed and qualified deputy clerk in the office of the  
clerk, in and for said court and district, and I hereby certify that a copy of  
the attached document was mailed in a postage prepaid envelope addressed to the  
following at their respective addresses, by placing said envelope in the regular  
mail in Raleigh, NC, on this date.

DATED: APR 30 1999

*Marty Lewis*  
\_\_\_\_\_  
DEPUTY CLERK

INTERNATIONAL HERITAGE, INC.  
2626 GLENWOOD AVE., #200  
RALEIGH, NC 27608

Terri L. Gardner / Hunter Wyche  
P. O. Box 26268  
Raleigh, NC 27611-6268

Holmes P. Harden  
P.O. Box 17169  
Raleigh, NC 27619

Bankruptcy Administrator

ATS  
JRL